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Author:
Bloomfield & Bloomfield

Title:
Methods of compensation for department store...

Place:
Boston

Date:
[1921]

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Bloomfield & Bloomfield.
Methods of compensation for department store employees; a survey by Industrial relations, Bloomfield's labor digest. Boston, c1921.
cover-title, 16 l.

At head of title: Special economic supplement.

RESTRICTIONS ON USE:

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Wage payment

SPECIAL ECONOMIC SUPPLEMENT

Methods of Compensation *for* Department Store Employees

A Survey by Industrial Relations
Bloomfield's Labor Digest

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Publishers of Industrial Relations — Bloomfield's Labor Digest
Consultants in Personnel and Industrial Relations Problems
6 BEACON STREET, BOSTON

Business
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FINANCIAL INCENTIVES FOR DEPARTMENT STORES EMPLOYEES

A Survey by Industrial Relations: Bloomfield's Labor Digest

Redoubled efforts by retail stores to find a system of compensation which provides incentive to the individual employee and greater sense of responsibility for the growth and success of the business among employees as a group of co-workers, are indicated by the increasing number of department stores which have established bonus and commission systems, or are changing and perfecting methods of long standing.

WHAT THIS SURVEY SHOWS

A survey by Industrial Relations conducted during the past year among several hundred retail stores, large and small, in all sections of the country, shows that nine-tenths of these stores have established a bonus or commission system that seems to be more or less satisfactory, are experimenting with a system of compensation which they hope will have better results than previous flat-wage methods, or desire to adopt some other system if a better plan can be found.

CONTACT WITH THE CUSTOMER

The retail store is probably more dependent upon the spirit of the individual employee than any other branch of business or industry. This is particularly true in all selling operations, which involve a contact between customer and employee in which the intelligence and interest of the employee is an important, and frequently the important, factor. The principal object of a large majority of the stores in establishing commission and bonus systems has been to make this contact between employee and customer more effective by making such positions attractive for workers of ability, and by providing incentive for greater effort in each transaction. From one-third to one-half of the employees of a store have contact with the buying public with a direct effect upon sales, and the efficiency of many of the employees who do not meet the customer has an influence upon sales that is by no means remote.

Additional compensation for all employees, as a reward for better team-play and organization spirit, has been provided by many stores. This type of extra payment is sometimes a substitute for a commission or bonus system, more often used in addition to such a system.

Profit sharing, through stock distribution among employees, has been adopted by several stores, but they comprise a small proportion only.

THE WAGE AS AN INCENTIVE

It is also noteworthy that some stores find an established wage, subject to frequent adjustment to conform to the record of the individual employee, meets

successfully the problem of providing incentive. Some stores, having abandoned commission and bonus systems, revert to such plans again after providing better supervision and records.

WHY SOME PAYMENTS ARE TEMPORARY

Study of methods of compensation in addition to an established wage during the past year has probably occurred at the peak of interest in such methods. Many stores have distributed funds among their employees during the past few years for the purpose of sharing prosperity, or of meeting the competition of other lines of business for employees, and such distribution has not become permanently a part of the regular system of compensation.

During the holiday season just passed some of these stores failed to distribute those additional funds as in the previous two years, and in other cases the amount distributed was substantially smaller than that of the previous year. Such funds were used to bridge temporarily the gap between retail store wages and factory and business office wages, during the period of keenest competition for workers.

Retail store wages cannot normally rise and fall with the rapidity of industrial wages, since the nature of the business does not permit of increases and decreases in the number of workers in as exact ratio to sales as can be applied in the factory in ratio to production.

In a time of readjustment the store cannot shut down or run on part time. A relatively large proportion of employees must be retained in the periods of poorest business, in order that all departments may be operated, merchandise protected, and a trained force ready for increased business. During the period of rising cost of living and keen competition for labor the wage level in retail stores has been substantially raised, but bonus payments and gifts, less permanent than wage increases, have often been depended upon to meet the need for maximum wages.

DEFINITION OF COMMISSION AND BONUS

The terms commission, bonus, and profit sharing have been used by various stores to designate almost identical systems. Their use for classification or description of the various methods of compensation is misleading without careful definition.

The Committee for the Study of Wage Problems of the National Retail Dry Goods Association has established, for the purposes of its reports, the following definitions:

Commission: A percentage paid to individual salespeople on their <u>total</u> sales.

Bonus: A payment in addition to regular wage, for services exceeding a set quota or standard in quantity or quality. (May be determined as a percentage of sales above quota or by any method of measurement. Applicable to either selling or non-selling forces.)

These definitions allow a clear division of various types of commission and bonus systems, but do not conform wholly to common usage in that they do not recognize as bonus any distribution for service not measured by individual performance, and are not comprehensive in failing to recognize as bonus payment that plan of a number of stores of distributing funds measured by group performances.

The definition of the term bonus as given above is therefore used in this statement as measured individual bonus, and the terms measured group bonus and bonus without qualification are used in the following senses:

Measured group bonus: Payment in addition to regular wage, through distribution in accordance with wage or responsibility, for services by employees as a group exceeding a set quota or standard in quantity or quality.

Bonus: Payment in addition to regular wage, through distribution in accordance with wage, responsibility or length of service, to all employees or to groups of employees, in recognition of improved service or teamplay, but not measured by quota or standard applied to the work of individuals or groups.

Other terms used, and the sense of their usage, are:

Profit sharing: "An agreement freely entered into, by which the employees receive a share, fixed in advance, of the profits."

Adjusted wage: Wages adjusted at frequent intervals in accordance with the quality and quantity of service by the individual employee.

COMMISSION SYSTEMS

The essential features of commission systems are:

(1) Commission is paid only to salespeople or executives of selling departments.

(2) Commission is paid in addition to regular wage or drawing account, usually, wage is paid weekly and commission monthly.

(3) Commission is paid on all sales, i.e., there is no sales quota. Commission, however, is paid upon net sales, not gross sales.

(4) Rates of commission range from 1/2% to 1 1/2%. In some cases the same rate is paid in all departments; in other cases, higher rates are paid in departments where volume of sales is relatively smaller because of the nature of the merchandise--thus, the lowest rate of commission in furs, the highest rate in notions and smallwares.

COMMISSIONS--PRO AND CON

The principal advantage of the commission system is that all salespeople earn in addition to the regular wage--the incentive applies to all. The principal disadvantage is that the compensation of the poorer salespeople may be larger in percentage to sales than that of the better salespeople, unless the regular wage is constantly adjusted.

Some stores have combined the commission and individual bonus systems, paying commission on all sales, and additional commission on sales above the given quota, in order to secure the advantage of having all salespeople earn commission, and at the same time overcome largely the possibility of salespeople below the average earning in greater proportion to sales than those above the average.

EXAMPLES

Among the stores using the commission system are the following:

William Filene's Sons Co., Boston. Commission on all sales, at rates ranging from 1/2 to 1 1/2%, according to the nature of the departments.

J. L. Hudson Co., Detroit. Commission of 1/2% on net sales throughout the year with the exception of December, when commission of 1% on net sales is paid.

B. F. Dewees, Philadelphia. Salesperson working full time receives 1%; salesperson working on contingent time--i.e., 11 a.m. to 5 p.m.--receives 3/4%.

Hager & Bro., Lancaster, Pa. Commission of 1/2% and 1%, according to the nature of the departments. In addition this concern has a department bonus for sales workers and a bonus for non-selling workers which are described in other sections of this report.

Patton-Anderson, Inc., Minneapolis. Commission of 1% on net sales.

Christman Dry Goods Co., Joplin, Mo. Commission usually 1%; in such departments as furniture, rugs, men's clothing, women's suits, cloaks and dresses, 3/4%.

Wm. Hengerer Co., Buffalo. Commission of 1/2%, with the exception of two store-wide sales, when commission is 1% on sales and 3% above a certain quota based upon salaries.

H. C. Capwell Co., Oakland, Cal. Commission of 1%. (In hairdressing department there is a commission of 5% on hair sales and 2% on labor.)

SEASONAL COMMISSIONS

Some stores in which the commission system is not used throughout the year find it advantageous for certain periods, generally during the Christmas selling

season or for special sales events. Such commissions, paid upon all sales, usually are in addition to payments made under an individual bonus system. For example:

The Dayton Company, Minneapolis. From November 17 to December 24, 1919, commission of 1% on net sales was paid all salespeople. The rate of commission was increased or decreased in certain departments to equalize the earning opportunity.

Jordan Marsh Co., Boston. Commission of 1/2% is paid on all sales from November 1 to Christmas.

Joske Bros. Co., San Antonio. For three weeks prior to Christmas, 1919, commission of 2% was paid on all sales, except in lace, embroidery and notions departments, where the commission was 3%.

MEASURED INDIVIDUAL BONUS--SALESPEOPLE

The individual bonus for salespeople, frequently referred to as the quota system, is the most complex of the compensation systems in common use, yet has been adopted in some form by more stores than any other system. It has as many variations as there are stores using it, but in a large majority of cases the essential features are as follows:

(1) Selling expense percentage is established for the department, from experience of the preceding year or the same period of the preceding year, as the proportion of total salaries to total sales of the department.

(2) Selling quota for each salesperson is established on the basis of regular wage and selling expense percentage.

(3) Bonus at an established rate (usually about one-half of the selling expense per cent, and often more than one-half of that per cent) is paid on all sales in excess of the quota.

(4) The bonus period ranges from one to six months, and deductions are made from sales above the quota for sales below the quota during that period in figuring bonus.

THE BONUS SYSTEM--PRO AND CON

The principal advantage of such a bonus system is that it establishes a standard task for each employee which must be performed before the regular wage is fully earned, with a reward for those who exceed the standard task. The principal disadvantage is that salespeople who cannot earn a bonus with any degree of regularity lose the incentive to do their best. This disadvantage is frequently due to the difficulty in figuring quotas accurately and fairly.

There are many systems of establishing quotas, and widely varying rates of bonus on sales above the quota. There is no standard system. A typical system,

however, is described in the following quotation from the statement to their employees by

Abraham & Straus, Inc., Brooklyn. "This is the Abraham & Straus method of arriving at your quota:

"First: The total net sales for your department for each month of the year for the past five years is noted by our Accountants.

"Second: The total salaries in your department for the same length of time is noted by our Accountants.

"Third: The total salaries for each month for the five years is divided by the total sales for each month for the five years. The resulting number is the average selling expense in your department for each month.

"Take an example to make it clear:

"Suppose that your department has done $10,000.00 business for each June for the last preceding five years. Adding, the total amount of business for the five Junes is $50,000.00.

"Suppose that the salaries in your department have been, each June for the last five years, $550.00. Adding, the total amount of salaries is $2,750.00.

"Divide the $2,750.00 (total salaries for five Junes) by $50,000.00 (total sales for five Junes). The answer is .05 1/2%, which means that the selling expense in your department is five and a half per cent.

"Now suppose that your salary is $11.00 per week. Eleven dollars is 5 1/2% of $200.00. Therefore, $200.00 is your quota and you will have to sell it each week before you have actually earned your salary of $11.00. Whatever you sell over and above $200.00 would be over and above what the $11.00 pays you for. On any amount you sell above $200.00 a week, therefore, you are entitled to a bonus commission of 2%--and with the Abraham & Straus bonus commission system, you get it.

"Your quota, you see, has nothing to do with the commission that you or any other clerk in your department has earned the month before.

"In justice, your quota must be changed almost every month--raised in the busy season, lowered in the dull season. At the beginning of each month you will be notified--in writing--of the amount of your quota for that month; that is, the amount you must sell before you have earned your salary and before you are entitled to any bonus."

Among the various individual bonus plans for salespeople in operation are the following:

LaSalle & Koch Co., Toledo. Quotas and bonus are figured according to the following plan:

"The rates of commission necessarily varied in the several departments, for it is obvious that the same rate would not hold for two departments so radically different, as, for instance, notions and furniture. These rates were based on an accumulation of information: the cost of selling in this store for the three previous years and the cost of selling in several other organizations, modified to fit the particular conditions existing in the departments, such as location, size and light. These are the rates arrived at; they are not as yet perfected, for the rate should be such that some person in each department is capable of earning commission on that basis. And, as a matter of fact, there are two or three departments in which no one earns. But, inasmuch as these rates would have to be modified for any other organization in any case, it is a matter which need not be discussed at length. The first column indicates the rate on which the daily quotas are based, the rate on which drawing accounts are reckoned. The second column shows the per cent of commission paid on sales in excess of the stipulated quota.

Art	6%	and	5%
Boys' Furnishings	5%	and	5%
Buttons	7%	and	6%
Carpets, Rugs, Linoleums	3½%	and	3½%
China, House Furnishings	5%	and	5%
Coats and Suits	3½%	and	3½%
Colored Dress Goods	6%	and	5%
Corsets	5%	and	4%
Curtains	4½%	and	4½%
Dresses	3½%	and	3½%
Furniture	3%	and	2%
Furs	3%	and	2%
Gloves	5%	and	4%
Handkerchiefs	6%	and	5%
Hosiery	3%	and	3%
Infants' Wear	5%	and	5%
Jewelry	7%	and	5%
Knit Underwear	5%	and	4%
Leather Goods, Umbrellas	6%	and	5%
Linens	5%	and	4%
Men's Clothing	5%	and	5%
Men's Furnishings	5%	and	5%
Muslin Underwear	5%	and	5%
Millinery	6%	and	5%
Neckwear	6%	and	5%
Notions	7%	and	6%

Petticoats	5%	and 5%
Ribbons	6%	and 5%
Shoes	6%	and 6%
Silks	4%	and 3%
Silverware	5%	and 5%
Toilets	5%	and 4%
Trimmings	5%	and 4%
Waists	5%	and 4%
Wash Goods, Domestics	5%	and 4%

The percentage in the first column was made larger in order to make it easier to reach the daily quota and thus earn extra money on commissions. In this way people are encouraged. It will be noticed that in this store 40% of the departments have the same rate on both quota and excess sales, and that these departments are largely departments carrying staple merchandise, or merchandise without great style variations; while the other 60% which have a lesser per cent on excess sales are largely departments which deal in style merchandise or perishable merchandise. The closer the two per cents are, the better and more fairly the system works out."

R. H. Macy Co.,New York. Combined commission and individual bonus plan. Commission of 1/2% on all sales up to quota; 2% on all sales above quota.

Henderson-Hoyt Co., Oshkosh, Wis. Quota based on percentages ranging from 4% in ready-to-wear to 12% in notions and books, with 3% bonus for all sales above quota.

Shepard Stores, Boston. Average cost of selling for each month in each department is figured for past two or three years. The quota each salesperson should sell per day is figured by using this per cent and the individual salary. A slip is given to each salesperson at the first of each month telling what their sales must average each day in order to earn a bonus at the end of each month. On all sales above such amount for the month, they are paid 2%.

Other stores using such individual bonus systems for salespeople, with similar systems except for variations in quotas and rates of bonus for sales above quotas, are:

Jordan Marsh Co., Boston.
The Wanamaker Stores, Philadelphia and New York.
The Emporium, San Francisco.
Broadway Department Store, Los Angeles.
Killian Co., Cedar Rapids, Iowa.
Stix, Baer & Fuller Dry Goods Co., St. Louis.
Hale Bros., Sacramento, California.
Halle Bros. Co., Cleveland.

MEASURED INDIVIDUAL BONUS--BUYERS

A number of stores have applied individual bonus plans in the compensation of executives of selling departments, generally buyers and assistant buyers.

In such systems, however, the bonus is usually a percentage of the sales of the department over sales of the same period of the preceding year, or of sales over the quota assigned to the department.

Some instances of such individual bonus payments are:

Abraham & Straus, Brooklyn. Assistant buyers receive 1/3% on the increase of the year's sales in their department over the preceding year. Buyers usually receive a special commission on increased sales.

William Filene's Sons Company, Boston, have a plan based on the net sales of the department and the per cent of gross profit on the sales. Payments to an individual working in more than one department are made only if the minimum sales and gross profit percentages for the group of their departments have been exceeded.

If an individual working under the above management is transferred during the year he is paid the proportionate part of the year's accomplishment based on the time employed in each department or group of departments. Payment is made to individuals only if they have been employed for the full fiscal year.

Any payments which may be due under this plan are to be subject to the condition that after the payment of such sums as are called for under this plan or any other offering of extra remuneration incentive which may be approved by the management, and after the deduction from Total Store Profit all expenses, taxes, merchandise depreciation, dividends, bonus and any distribution in the form of Profit Sharing, there shall be left to the business a minimum per cent of net profit to sales to be set by the management.

Joske Bros. Co., San Antonio. Buyers are paid a bonus of 2% on all increases in sales over sales of the preceding year.

MEASURED INDIVIDUAL BONUS--NON-SELLING EMPLOYEES

Commission and individual bonus systems have been applied to selling employees in many stores, but few stores have devised a satisfactory system of additional payment for non-selling employees on either a piece-work basis or that of performance of more than a standard task.

The problem of rewarding efficient work by non-selling employees has usually been met by the distribution of a fund among such employees, either in proportion to salary or on the basis of length of service. Usually the amount of the fund so distributed is arbitrarily fixed, but several stores make it a practice to distribute among non-selling employees a fund equal to the total commissions or bonus paid to selling employees.

Methods of estimating and paying additional compensation for non-selling employees, based upon service above a given standard of quality or quantity, have been developed for some departments by several stores. Among them are the following:

Hale Bros., Sacramento. Delivery drivers receive a bonus of $5.00 a month,

provided they score 100% on inspection of their automobiles. There is a 50c deduction for each criticism, such as a dirty engine, insufficient oil, etc.

NON-SELLING BONUS

A large Cleveland store is applying the following individual bonus methods for non-selling employees:

Wagon Boys' Bonus: Wagon boys may earn a bonus of $2.00 per week by regular and prompt attendance every day. If the boy is absent during the week without a reasonable excuse, he loses his entire bonus. If he has been at work every day, he loses 25c for each time he is late.

This plan has been successful in securing better and prompt attendance.

Bookkeepers' System of Production Payment: Billers are credited with 1c for each check billed. This includes forwarding on trial balance and balancing each day's work, but does not include making the monthly balance on the biller's work.

Deductions. A deduction of 25c is made for each error in billing and a deduction of 10 checks is made for each mistake in heading they pass. The bills are headed by girls who are not billers.

The period figured in computing the amount due each biller is from the fourth business day of one month to the third business day of the next, inclusive. At the end of this period she receives the difference between the amount paid her on her weekly drawing account and the amount due her at 1c per check, minus deductions.
The bookkeeping is done on Elliott-Fisher machines.

Elevator Operators' Bonus System: The elevator director, assisted by a committee of five people selected through the store, together with the recommendation from her assistants, grades each operator on the following points:

Punctuality	15
Courtesy and Conduct	25
Personal Appearance	20
Calling Floors	25
Making Stops	15
	100

Each operator making a monthly average of 95 or higher receives a bonus of $5.00. By the use of a bonus we have obtained gratifying results in the qualities listed above.

Production Payment for Sorting Sales Checks in the Auditing Department: Sorting sales checks consists of the following elements.

1. Collecting charge sales checks throughout the store.

2. Sorting checks into bins according to ledger, sorting out all employees' checks and others not handled in the regular ledger.

3. Auditing checks which includes verifying extensions and additions, making doubtful checks and writing clear.

4. Sorting checks into strict alphabetical order.

5. Running off an adding machine tape for each ledger.

Sorters are credited 3/4c for each check they complete, and 10 checks are deducted for every error made. At the end of the week the sorter receives her total earnings. No drawing account is given to sorters. The work is done by school girls between 4.00 p.m. and 8.00 p.m.

Delivery Credit Authorization Production Payments: Authorizations are made from a Rand Visible Index.

Delivery authorizers are paid 1/2c for each authorization. A deduction of 25% is made for passing C. O. D.'s, bad accounts or no accounts. A deduction of 12 1/2c is made for passing checks with any other kind of a mistake on it, as wrong address, wrong initials, or incorrect spelling of name.

At the end of the month the authorizers are paid the difference between the amount paid them on their drawing accounts and the amount due them at 1/2c per authorization loss deductions.

Audit Department Tabulating Card Punchers Production Payments: A tabulating card is punched for each sale made.

Punchers are paid 15c per 100 checks punched, a deduction of 10 checks being made for each error. They are given a drawing account, and all they make in excess of this is paid them weekly.

Audit Department Sales Checkers' Bonus: Each tabulating card is checked against a tally to see that all details are correct.

Checkers receive a bonus of $10.00 if no errors have been made for a period of one month. A deduction of 2% of this bonus is made for each error. If no errors are made for three months, an additional bonus of $5.00 is paid.

H. C. Capwell Co., Oakland, Cal. Drivers are paid a bonus for tire mileage, being paid one-half the guaranteed cost per mile for each mile run over the guarantee.

MEASURED INDIVIDUAL BONUS--LENGTH OF SERVICE

Payments for length of service may be classified as individual bonus. Such payments are made by a number of stores as a reward for the "sticking qualities"

of employees, and in some cases are accompanied by additional vacation periods with pay for employees of 25 years or more.

Among the stores making such payments are:

Davidson Bros. Co., Sioux City, Iowa. At Christmas, 1919, $25.00 was paid each employee who had been with the store five years; $50.00 for service of ten years; and $100.00 for service of twenty years.

Best & Co., New York. Payments to non-selling employees were adopted in 1919 on the following basis:

1. To the non-selling employees receiving less than $1,600 salary a year, and who shall have completed one year of service on or before Dec. 31, 1919--5% of annual salary.

2. To those completing 2 years of service--6% of annual salary.

3. To those completing 3 years of service--7% of annual salary.

4. To those completing 4, 5, 6, 7, or 8 years of service--9% of annual salary.

5. To those completing 9, 10, 11, 12, 13 or 14 years of service--10% of annual salary.

Payments to be made annually on the seventh business day before Christmas.

Lord & Taylor, New York. In 1919, the following bonus payments, based upon length of service, were distributed:

Those in store continuously for:

10 years or more, to Jan. 1, 1920	$30.00
5 years and less than 10 years, to Jan. 1, 1920	25.00
3 years and less than 5 years, to Jan. 1, 1920	20.00
2 years and less than 3 years, to Jan. 1, 1920	15.00
1 year and less than 2 years, to Jan. 1, 1920	12.50
6 months and less than 1 year, to Jan. 1, 1920	10.00
Less than 6 months, to Jan. 1, 1920	8.50

MEASURED GROUP BONUS

A number of stores have found it desirable to establish systems of bonus payments for departments or groups of employees, both selling and non-selling, where the department has performed a task above the given standard in quality or quantity.

Instances of this type of bonus payment are:

Hager & Bro., Lancaster, Pa. Percentage of increase in sales by depart-

ments, ranging from 1 1/2% to 2 1/2% according to the nature of the department, divided among the employees of the department in proportion to salary. This is in addition to commissions paid individual salespeople upon all sales.

Hale Bros., Sacramento. A bonus fund equal to $5.00 per month per person is established for the credit office. Every error in billing, posting, etc., made by anyone in the department is charged against this fund, and whatever is left in the fund at the end of the month is divided pro rata.

James McCreery & Co., New York. An "employees' economy dividend" is paid to the store workers representing one-half of the savings in operating expense for the current month over the average of the costs of the same months for the five preceding years. This distribution is on the theory that reduced cost of operations resulting mostly from an increase of sales, is accomplished by diligence, courtesy, carefulness in saving, accuracy and the avoidance of waste. The dividend is figured by securing the percentage of total expense for the given month for five preceding years to the total sales of the same month for the same period. If the percentage of operating cost to sales is lower than the average, this saving is distributed. This company originally based its estimates on savings over the preceding year, but has changed to the average of the five preceding years as a fairer estimate.

Jordan Marsh Co., Boston. A bonus distribution with features of both group bonus and profit sharing plans is made. Each employee holds a given number of shares in the distribution ranging from 3 to 16, according to the responsibility of the position. For example, a salesperson holds 9 shares, an assistant buyer 12 shares, a buyer 16 shares. When the total fund to be distributed is determined, it is divided by the toal number of shares outstanding, and the amount for each employee thus figured. The fund divided among selling employees is a fixed percentage of the increase in sales over the preceding year. The fund for non-selling employees is a fixed percentage of the increase in sales plus a fixed percentage of the increase in net profits, since the work of non-selling employees, through cutting down or holding down expense, has a direct effect upon net profits.

Chas. Korrick & Bro., Phoenix, Ariz. Each department showing an increase of business for a month of 25% or more over the corresponding month of the preceding year receives a bonus of 2 1/2%, divided among the employees of the department on the basis of their percentage cost--wage in proportion to sales for that month.

PROFIT SHARING

Profit sharing in its technical sense (see definition page four) is not practised by any of the stores covered in this survey.

STOCK PARTICIPATION BY EMPLOYEES

Some of the stores allow employees to purchase company stock. Among these stores the following are typical:

Montgomery Ward & Co., Chicago. Employees have been permitted to purchase

stock at a price considerably under the market value, and a number have taken advantage of this opportunity.

Sanger Bros., Dallas. When the corporation was organized in 1919, they offered $1,000,000.00 of common stock to employees at 50% of its value, with the understanding that this $1,000,000.00 worth of stock must receive 45 dividends before the remainder of $8,500,000.00 common stock received any dividend. This stock was fully subscribed for by employees.

The Marston Co., San Diego, invites the purchase of company stock by all employees who have been with the firm more than three years. The only restriction on such holdings is an option which gives opportunity of repurchase to other employees if the holder leaves. About one employee in eight holds stock.

Miller & Paine, Lincoln, Neb. Much of the stock is held by employees, ranging from large amounts down to one share.

Rothschild Bros., Ithaca, N. Y. Have sold some stock to their employees.

BONUS PAYMENTS

With the possible exception of commission and bonus payments to salepeople, the majority of payments in addition to regular wages by retail stores have been in the form of bonus funds among all employees in proportion to salary or to length of service.

These are generally distributed during the holiday season.

Among the stores which have made such distribution are the following:

Franklin Simon & Co., New York. In 1919, selling employees, except in men's shops, and non-selling employees, were given 5% of salary for six months preceding August 1; a similar 5% payment was made for the five months period from Aug. 1 to Jan. 1, and selling employees also shared in a fund of 5% of the total salaries of the employees of each department, distributed in the ratio of the sales of each individual to the total sales.

Louis Traxler Co., Dayton, Ohio. All employees holding non-executive and non-selling positions have received 5% of their December salary, and all employees in the selling departments, regardless of regular commission, received 1/2% of their December sales as a bonus.

L. Bamberger & Co., Newark. The following distribution was made at Christmas, 1920:

Co-workers employed before Jan. 1, 1920	$20.00
" " since Jan. 1 and before July 1	15.00
" " on July 1 and before Nov. 1	10.00
" " on Nov. 1 and before Dec. 1	5.00

These amounts were paid to the selling as well as the non-selling force. In order to receive the remembrance, it was necessary to have perfect attendance from Nov. 29 to Dec. 24. It did not apply to a few departments where special arrangements as to employment had been made.

Hager & Bro., Lancaster, Pa. A bonus is paid semi-annually to non-selling workers, including workers in Office, Advertising Department, Delivery Department, Shipping Room, Porters, Packers, Wrapping Department and Cash Boys and Girls. Subject to efficiency shown during term; to be determined by recommendation of:

1. Superintendent and general assistants.

2. Heads of respective departments.

To those employed over one year, but less than three years--4% of salary for term.

To those employed over three years, but less than five years--6% of salary for term.

To those employed over five years, but less than ten years--8% of salary for term.

To those employed ten years and over--10% of salary for term.

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